

**MINUTES OF THE  
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING  
MONDAY, JANUARY 22, 2007, 2:00 P.M.  
Room W135, West Office Building, State Capitol Complex**

Members Present:        Sen. Howard A. Stephenson, Co-Chair  
                             Rep. Bradley G. Last, Co-Chair  
                             Sen. Lyle W. Hillyard  
                             Sen. Patricia W. Jones  
                             Sen Kevin T. VanTassell  
                             Rep. Tim M. Cosgrove  
                             Rep. Brad L. Dee  
                             Rep. Lorie D. Fowlke  
                             Rep. Gage Froerer  
                             Rep. Gregory H. Hughes  
                             Rep. Ronda Rudd Menlove  
                             Rep. Karen W. Morgan  
                             Rep. Phil Riesen  
                             Rep. Aaron Tilton  
                             Rep. Carl Wimmer

Staff Present:            Ben Leishman, Legislative Fiscal Analyst  
                             J. Daniel Schoenfeld, Legislative Fiscal Analyst  
                             Cherie Schmidt, Secretary

Public Speakers Present: Dustin Heuston, Chairman, Waterford Institute  
                             Patti Harrington, State Superintendent, USOE  
                             Melva, Sine, President, Utah Restaurant Association  
                             Becky Cox, Teacher in the Pro Start Program, Lone Peak High  
                             School, Highland, Utah  
                             Adam Bench, Former Student of the Pro Start Program  
                             Todd Ginney, Gastronomy Restaurants  
                             Clay Christensen, Applied Technology College  
                             Sharyl Smith, Retired School Librarian  
                             Dennis Morgan, Retired School Librarian  
                             Mary Shumway, State Director of Career and Technical Education  
                             and Adult Education, USOE  
                             Tom Sachs, Secondary Comprehensive Guidance Counselor  
                             Specialist

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Last called the meeting to order at 2:20 p.m.

1. **Welcome** - Co-Chair Last welcomed Subcommittee members and the audience to this meeting.
2. **Approval of Minutes** - There were no minutes to approve at this time, but minutes will be approved during the Wednesday, January 24, 2007, meeting.
3. **Technology Update** - Dustin Heuston, Chairman, Waterford Institute, addressed the Subcommittee concerning technology update. Mr. Heuston stated that to obtain the maximum return on technology investment, there is a law to keep in mind; otherwise, investment can be made in areas that will not give the desired results. The most important investment should be made for younger children in software which will use the power of the technologies to benefit the student instructionally. In summary, Mr. Heuston stated that funding for technology should be done in the early grades, make sure that the students have access to individualized interactive instruction software, make certain that the Superintendent believes in software technology, set up accountability reports weekly that will filter back to the Superintendent and to the Legislature, and set up an advisory group to obtain input from industry, from business, and venture capitalists to give advice on technology trends.

Co-Chair Last asked Mr. Heuston about what type of software would most benefit students. He recommended that software should have programs that can be managed by the teacher, must supply reports, and must be able to help the child if he is having difficulty. He also said that individual school districts should decide which software to purchase, and Mr. Heuston suggested that this software be integrated software.

4. **Analyst Budget Presentation-Minimum School Program-Related to Basic Program** - Ben Leishman, Legislative Fiscal Analyst, referred to Tab 4 in *Budget Analysis FY 2008*. At the beginning of this section there is a spreadsheet which contains the below-the-line items. Items that are related to the Basic School Program include Social Security and Retirement and Pupil Transportation which are the large categories. Most often these categories change with fluctuations in the number of WPUs, especially Social Security and Retirement, and the value of the WPU. These items are very closely tied to what takes place above the line. The Minimum School Program - Related to Basic Programs include several categorical programs often referred to as "below-the-line" or non-Weighted Pupil (WPU) driven programs. These programs supplement the Basic School Program offered in the school districts and charter schools.

Mr. Leishman stated that there are three block grants that provide funds to school districts basically to accommodate three programs. The Quality Teaching Block Grant provides teacher training in professional development. The next grant is the Local

Discretionary Block Grant that school districts use in other subprograms. The Intervention for Student Success Block Grant helps students who do not meet the requirements of the State's U-PASS Accountability System with extra instruction.

Special Population funding provides revenue to school districts to support programs for either gifted and talented students or at-risk students. Each of these programs other than the highly impacted schools was increased for student growth. Basically, this is an increase of 2.8 percent over the prior year to account for the 2.8 percent growth in students.

Other programs include the Electronic High School which is an independent high school operated out of the State Office of Education that offers online courses to students primarily in Utah and some students out of state. The State Board of Education has a budget request to handle student growth in the Electronic High Schools. The Analyst recommends that the Subcommittee prioritize an additional \$700,000 in ongoing revenue to support student enrollment growth faced by the Electronic High Schools.

The Reading Program is the state portion of the funding for a reading program that was passed in 2003 by Governor Walker. It is a matching program where the local districts will have instituted a board levy or property tax to support reading achievement in grades K-3. The State has also provided a supplemental revenue for that program.

The School LAND Trust Program is a program where each school in Utah has set up a School Community Council that establishes an educational achievement plan that identifies a given need or educational goal at the school and uses trust lands revenue to meet this need or goal. Utah has approximately three million acres of school trust lands that were set aside at statehood to support public schools. Revenue generated from these lands is saved in the permanent State School Fund. The interest and dividends earned off the investment of the State School fund are distributed to the public schools. The Minimum School Program base budget includes \$15,000,000 in revenue from the Uniform School Fund. The Analyst recommends that the Legislature include the estimated Interest Dividends revenue of \$21 million in the Minimum School Program - School LAND Trust Program for distribution to the public schools.

The English Language Learners was also discussed. The State Board of Education requests \$6,686,000 to help schools provide appropriate educational interventions for student learning to speak English and smaller class sizes in classes with ELL students. The Analyst recommends that the Subcommittee prioritize an increase of \$6.6 million to support the English Language Learners Achievement Program.

The Public Education Job Enhancement Program provides scholarships and signing bonuses for teachers in math, physics, chemistry, physical science, information technology, learning technology, and special education. This program was initially administered through the Governor's Office. Two years ago this program was transferred to the State Office of Education to oversee the scholarships to school teachers and the signing bonuses. The Analyst recommends that the Legislature transfer \$70,000 in ongoing Uniform School Funds from the Minimum School Program - Public Education Job Enhancement Program to the Utah State Office of Education for the annual administrative expenses associated with the program.

The Writing Improvement Program was implemented by the Utah State Office of Education as a two-year pilot program that provides writing improvement software to Utah's high schools. The software assists classroom teachers in evaluating student writing and providing timely feedback for student improvement. The Analyst recommends that the Legislature prioritize \$542,300 in one-time Uniform School Fund revenue to support the second year of the writing improvement software pilot project.

The Issue Brief - Teacher Supplies and Materials was also discussed. Over the past 15 years, the Legislature has consistently made one-time Uniform School Fund appropriations to help individual teachers cover out-of-pocket expenditures on classroom supplies and materials. These funds allow school teachers to purchase supplies and materials associated with their individual instructional plan and receive reimbursement from the state for these expenditures. During the 2006 General Session, the Legislature revised the maximum reimbursement rates allowed per teacher. Reimbursement rates take into account the grade level taught by each teacher and a teacher's position on the district salary schedule. Teachers in the lower grades (K-6) and who are relatively new to the profession (salary schedule steps 1-3) receive a higher reimbursement than secondary and more veteran teachers. The reimbursement schedule also allows pre-kindergarten special education teachers to receive reimbursements. Table 2 in this brief details the reimbursement amounts allowed. The Analyst recommends that the Legislature provide \$7.5 million in one-time Uniform School Fund revenue to support reimbursements to school teachers for supplies and materials. If the appropriation is insufficient to cover all reimbursements, statute provides a mechanism to prorate the distribution of revenues. Generally, teachers on steps 1-3 will receive the full reimbursement allowed. The remaining revenue is apportioned to all other teachers.

The next item presented was the Issue Brief - Voted & Board Leeway State Guarantee. The Voted and Board Leeway Programs enable school districts to fund educational programs in addition to the basic school programs. State revenues support the Voted & Board Leeway Programs by providing a revenue guarantee to school districts. Uniform School Funds ensure that each school district that elects to levy the minimum tax rates

for the Voted Leeway and the Board Leeway will generate a minimum level of revenue per WPU. Revenue generated through a Voted Leeway is free revenue for a school district. It supports maintenance and operation of education programs as determined by the local Board of Education. In addition to the Voted Leeway, local school boards may levy a Board Leeway. The Board Leeway is more restrictive than the Voted Leeway because the revenue supports class size reduction. Local school boards must publicly declare that they intend to use generated revenue for purposes other than class size reduction prior to levying the Board Leeway. Further, the local board must certify with the State Board of Education that class sizes are not excessive in the district and the purposes for which generated revenue will be used prior to using generated revenue. Tables in this brief detail estimated voted leeway and estimated board leeway. Co-Chair Stephenson asked for a bar chart to illustrate this information. Mr. Leishman also called attention to H.B. 3 "Minimum School Program Base Budget Amendments." This bill includes increases to the Voted and Board Leeway Programs based on the growth in the total number of WPUs as well as the statutory or rate change which is an increase in the amount of money that the state is guaranteeing per WPU. The USOE discovered an error in the calculation they submitted to the Fiscal Analyst for the Voted and Board Leeways. The total cost of the Voted and Board Leeway is \$1.6 million higher than is in the current H.B. 3. The Analyst recommends that the Legislature provide \$1.6 million in ongoing Uniform School Fund revenue to support total cost of the statutory increase (rate change) to the Voted and Board Leeway state guarantee.

Discussion continued with the Budget Brief - School Building Program. There are two components of the School Building Program that the Legislature deals with each year. The first is the Capital Outlay Foundation Program which is a local property tax revenue equalization program. The second is the Enrollment Growth Program which provides an additional supplement to those school districts who have had student enrollment growth for the prior three years. The Analyst recommends that the Legislature provide a \$10 million one-time appropriation from the Uniform School Fund to support the School Building Program - Enrollment Growth Program. This one-time appropriation will provide the same level of funding as appropriated for FY 2007. The Legislature may also evaluate the ongoing funding levels for the Capital Outlay Foundation Program and the Enrollment Growth Programs, reallocate ongoing base funding as needed, and prioritize any budget increases with the other FY 2008 items before the Subcommittee.

5. **Agency Response-Patti Harrington, Utah Board of Education** - Superintendent Harrington commented on the English Language Learners that was described by the Analyst's Office. The verbal description was slightly in error. The increase request for English Language Learners is to increase the amount of instructional time per student rather than class size reduction. That instructional time would be with a trained teacher or perhaps computer-assisted instruction for those children. Superintendent Harrington

suggested that this request be repeated each of the next two years, which totals just over \$19 million.

6. **Analyst Budget Presentation** - Danny Schoenfeld, Legislative Fiscal Analyst, began his presentation with the Budget Brief - Utah State Office of Education. The USOE provides information and direction relating to the policies, procedures, and programs of Utah's public education system. Reference was made to the Carson Smith Scholarship. This scholarship provides scholarships for children with special needs to attend private school. Because the funding for this program does not come from the Uniform School Fund, it is actual General Appropriations Funds that need to be allocated. The Board of Education has indicated that their request will be approximately \$112,000 to administer the program. Although the total FY 2008 budget for USOE totals \$264,419,900, the actual operating of USOE is approximately \$32.5 million. Of the total revenue appropriated to the State Office of Education, approximately 86 percent is passed on to the local school districts and charter schools. The remaining 14 percent supports the operation, divisions, and program of the Utah State Office of Education.

The next Budget Brief discussed was USOE Internal Service Fund & Indirect Cost Pool. The State Board of Education ISF supports the Board's print shop and mailroom. The Office of the Superintendent - Indirect Cost Pool funds those programs and individuals who administer the State Office of Education. It supports administrative, accounting, budgeting, purchasing, and government liaison function of the USOE.

Ben Leishman, Legislative Fiscal Analyst, stated that over the last few years this Subcommittee has received several reports from the Analyst's Office on the condition of Educator Licensing Fees and the collection of those in the State Office of Education. The Educator Licensing and Professional Practices Act states that "the board shall levy a fee for each new, renewed, or reinstated license or endorsement." Further, that statute is linked to the Budgetary Procedures Act which governs all executive branch agencies in how to regulate revenue collected through fees. The Budgetary Procedures Act requires that a fee-granting agency cover all the costs associated with the granting and administration of fees to be covered through fee revenue. Indicators suggest that the revenue collected from the various educator licensing fees, approved by the Legislature and charged by the State Office of Education are not being deposited into the Professional Practices Restricted Subfund in the Uniform School Fund as statute dictates. The Analyst recommends moving teacher licensing fees into its own line item. This line item should contain all revenue from teacher licensing fees deposited into Professional Practices Restricted Account. The Analyst further recommends that the Legislature transfer from Law, Legislation, and Education Full Time Equivalents associated with this program to this new line item. The Analyst also recommends that the Legislature consider adopting a fee schedule, provided in Attachment A of this brief, to

provide sufficient revenue to support the function of the USOE Educator Licensing Section without the reinstatement of state revenue.

Danny Schoenfeld continued with a discussion on the Issue Brief - Staffing Statewide Programs and Functions. This brief details staffing concerns at the State Office of Education expressed by the State Board of Education. These concerns include hiring additional staff to provide support to key programs and address employee turnover through providing salary adjustments for the specialist at the USOE. The State Board of Education employs one full-time auditor to conduct reviews of the many programs, issues, and system. The Board requests an appropriation of \$70,000 in ongoing Uniform School Fund revenue to hire a full-time assistant for the Board's auditor. The Analyst recommends that the Subcommittee discuss the need for an additional auditor for USOE. and include \$70,000 in Uniform School Funds in its prioritized list of funding requests.

Pre-Kindergarten Specialist was also addressed. A pre-kindergarten specialist would assist school districts with pre-kindergarten programs and help districts impacted by poverty develop a pre-kindergarten program. The Analyst recommends that the Subcommittee may wish to evaluate and prioritize the request for \$150,000 in ongoing Uniform School Fund revenue to hire a Pre-Kindergarten special at the State Office of Education.

The next item discussed was the Special Needs Scholarship Administration. The Analyst recommends that the Subcommittee prioritize \$112,000 in ongoing General Fund revenue to support the ongoing administrative functions associated with the Carson Smith Special Needs Scholarship Program.

The World Language Specialist will provide additional capacity at the USOE to support students, teachers, and districts in coordination in foreign language instruction in schools. This position would also assist in the development of programs in critical needs language (e. g. Chinese, Arabic). This program will also administer the Foreign Exchange Program. The Analyst recommends that the Subcommittee prioritize \$136,000 in ongoing Uniform School Fund revenue to hire a World Language Specialist.

It has been determined that No Child Left Behind funding may not be appropriate for Electronic High School staff support. This request from the Utah State Office of Education is to replace No Child Left Behind with monies from the Uniform School Fund. The Analyst recommends that the Subcommittee prioritize \$42,000 in ongoing Uniform School Fund revenue to support Electronic High School Staff.

The Issue Brief - U-PASS Assessment Costs was also discussed. The Legislature passed the Utah Performance Assessment System for Students during the 2000 General Session.

U-PASS is a comprehensive student achievement plan that requires annual testing of students and reporting of assessment data. For the past several years, the Utah State Office of Education has been able to fund several components of the U-PASS Program with surplus federal funds received for the No Child Left Behind Program. Specifically, USOE has used NCLB Title VI carry-forward funds. Indicators suggest that the surplus NCLB revenue will not be available in FY 2008 to support these functions. The Analyst recommends that the Subcommittee evaluate the specific U-PASS components that have been funded with surplus NCLB revenue and other requests. The Analyst further recommends that the Subcommittee prioritize among other items before the Subcommittee, \$3.4 million in ongoing Uniform School Fund revenue to support U-PASS assessment costs.

Superintendent Harrington spoke in response to the above information. She spoke in support of the auditor assistant position, the World Language Specialist, and monitoring the Foreign Exchange Student Program

7. **Public Comment** - Melva Sine, President of the Utah Restaurant Association, spoke to the Subcommittee concerning the Pro Start Program. This is a culinary restaurant education program that teaches young people in the 11<sup>th</sup> and 12<sup>th</sup> grades about everything they need to know to own, operate, run or work in any field in the restaurant industry. The Pro Start Budget's request is for \$300,000 for the purpose of continuing the Pro Start Program in conjunction with the Utah Restaurant Association in all of Utah's High Schools who want to participate in the Utah Restaurant Association's Pro Start Program and to assist in the implementation of the program in all of Utah's Applied Technology Colleges. Details of this request are given in a handout entitled, "Utah Restaurant Association." The following individuals gave their support of the Pro Start Program:

Becky Cox, Teacher in the Pro Start Program, Lone Peak High School, Highland, Utah  
Adam Bench, Former Student of the Pro Start Program  
Todd Ginney, Gastronomy Restaurants  
Clay Christensen, Applied Technology College

Sharyl Smith, Retired School Librarian, and Dennis Morgan, addressed the Subcommittee concerning school libraries. Marilyn Walker and Fawn Morgan, both teacher librarians, also spoke in support of the school library budget request and expressed their appreciation of the appropriation given to school libraries. Mr. Morgan stated that the budget request this year for school libraries in a minimum standard of \$4 million in ongoing funding for library and electronic resources, which is approximately \$7.80 per student per year or approximately 178 new books for each school per year. An equitable base amount would be provided to every school, and the remainder would be allotted by pupil formula. This request is in the State Office of Education's School



Board's budget in an ongoing basis, and it is also represented in the Governor's budget in a combination of ongoing and one-time only monies. The last appropriation given to school libraries was in FY 2000. Dr. Smith stated that the funding needs to be on a regular basis. Co-Chair Stephenson said that possibly a threshold should be set in place for at least minimum library standards if met would be targeted to make school districts eligible for a certain level of funding. This would assist schools if they chose to accept the money. Rep. Cosgrove also stated that he has also requested a \$4 million appropriation to fund library books. He said that the purpose of his request is to meet the demands of students learning to love reading. He supports an ongoing appropriation. Co-Chair Stephenson said that school libraries should have standards that give what should be in a library, what is in the library, and what threshold should be met to ensure that the money appropriated is being spent in the best way to meet the needs of students. Dr. Smith stated that an ideal goal would be one new book per student per year.

Mary Shumway, State Director of Career and Technical Education and Adult Education, USOE, addressed the Subcommittee concerning Comprehensive Guidance. The State Board of Education is requesting \$8,600,000 additional funding for the Comprehensive Counseling and Guidance Program. Additional funding is needed to

- Reduce high counselor to student ratios in all secondary schools
- Ensure an adequate base amount for smaller schools, including charter schools
- Provide more counselor time for parent and student planning
- Address increasing responsibilities levied on each school counselor

Superintendents have asked the Utah State Board to secure funding to increase the base from 6 WPU to 12 WPU, plus raise the 1,200 student cap to reduce ratios at the larger schools.

Co-Chair Stephenson mentioned that the Subcommittee should build into the Appropriations Act this year intent language that would specify State standards for Student/Counselor Ratio.

Dawn Kay Stevenson, Coordinator for Student Services and School Counseling, agreed with Co-Chair Stephenson to have standards met to reduce high counselor student ratios in all secondary schools.

Tom Sachs, Secondary Comprehensive Guidance Counselor Specialist, also spoke in support of this appropriation especially in rural school districts.

**MOTION:** Rep. Fowlke moved to adjourn

Co-Chair Last adjourned the meeting at 5:20 p.m.

Minutes were reported by Cherie Schmidt, Secretary

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Sen. Howard Stephenson, Committee Co-Chair

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Rep. Bradley G. Last, Committee Co-Chair